

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION  
DOCKET NO. E-2, SUB 1197  
DOCKET NO. E-7, SUB 1195**

<b>In the Matter of:</b>	)	
<b>Application by Duke Energy Carolinas,</b>	)	<b>NCSEA’S INITIAL COMMENTS</b>
<b>LLC and Duke Energy Progress, LLC</b>	)	<b>ON MAKE READY CREDIT</b>
<b>for Approval of Proposed Electric</b>	)	<b>PROGRAMS</b>
<b>Transportation Pilot</b>	)	

**NCSEA’S INITIAL COMMENTS ON MAKE READY CREDIT PROGRAMS**

Pursuant to the North Carolina Utilities Commission’s (“Commission”) *Order Requesting Comments* issued on May 28, 2021, the North Carolina Sustainable Energy Association (“NCSEA”), an intervenor in the above-captioned proceeding, offers the following comments on *Duke Energy Carolinas, LLC and Duke Energy Progress, LLC’s Request for Approval of Make Ready Credit Programs* (“Application”) filed by Duke Energy Progress, LLC (“DEP”) and Duke Energy Carolinas, LLC (“DEC”) (DEP and DEC collectively “Duke”) on March 29, 2019, which proposed the creation of a Make Ready Credit program. NCSEA is generally supportive of the Make Ready Credit program proposed by Duke, but does have suggestions that could improve the program.

**I. MAKE READY CREDIT VALUES SHOULD BE TRANSPARENT**

NCSEA believes that Duke should be more transparent with customers, particularly residential customers, about the value of the Make Ready Credit that they will receive. Duke’s Application never actually says what the value of the Make Ready Credit will be for customers. Instead, it describes the revenue requirement formula that will be used to calculate the credit, which is an opaque calculation that cannot be easily understood by

customers.<sup>1</sup> Customers need to know the value of the Make Ready Credit to determine whether they want to participate. While many commercial and industrial customers have dedicated account representatives with Duke that they can call to determine the value of the credit, residential customers have limited resources.

In a data request, NCSEA asked Duke to provide value of the Make Ready Credit for sample DEC and DEP residential customers under three different scenarios.<sup>2</sup> In response, Duke stated that it “utilizing a standardized kWh/make-ready credit amount for residential customers[]” and that customers would receive the lower of the maximum Make Ready Credit amount or their actual costs.<sup>3</sup> Duke did not state what the maximum Make Ready Credit amount would be. In a different response, Duke did state it would calculate the maximum Make Ready Credit amount using an assumed increase in consumption of 225 kWh per month.<sup>4</sup> Ultimately, in response to a Public Staff data request, Duke did provide the maximum Make Ready Credit amount, but provided it confidentially.<sup>5</sup>

NCSEA does not take issue with the maximum Make Ready Credit amount nor does it take issue with utilizing the revenue requirement for an assumed increase of 225 kWh per month of consumption. However, especially for residential customers, the maximum Make Ready Credit amount cannot be confidential. Customers need to know the maximum Make Ready Credit amount so that they can make a financial decision about

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<sup>1</sup> “[R]evenue credit levels for customers will be generally based on estimates of the aggregate increase in electric revenue for the first three to five years following installation of newly installed EVSE.” Application, p. 9.

<sup>2</sup> See, Duke Response to NCSEA Data Request No. 3-4, attached as **Exhibit 1**.

<sup>3</sup> *Id.*

<sup>4</sup> See, Duke Response to NCSEA Data Request No. 3-3, attached as **Exhibit 1**.

<sup>5</sup> See, Duke Response to Public Staff Data Request No. 2-8, attached as **Exhibit 2**.

whether to participate in the program.<sup>6</sup> Not knowing the amount would be akin to customers gambling, not knowing how much of a credit they would receive.

## **II. THE CONTRACTOR CREDIT OPTION SHOULD NOT ENCOURAGE ANTI-COMPETITIVE BEHAVIOR**

In its Application, Duke describes a Contractor Credit Option, through which the customer would choose a pre-approved contractor from Duke's website who would incorporate the Make Ready Credit amount into the price they charge the customer. As an initial matter, NCSEA believes that the concerns expressed above regarding the confidentiality of the maximum Make Ready Credit amount apply to the Contractor Credit Option because, if the confidentiality of the amount is not addressed, contractors participating in the Contractor Credit Option would have an unfair market advantage over those that do not.

Regardless of whether NCSEA's confidentiality concerns are addressed, NCSEA is concerned about the mingling of Duke's regulated utility programs, such as the Make Ready Credit, with non-regulated programs, such as "Find It Duke"<sup>7</sup> or other methods of Duke "approving" contractors to participate in the Contractor Credit Option. Given the Commission's requirement in N.C. Gen. Stat. § 62-140(b)(1) to "make reasonable and just rules and regulations . . . To prevent discrimination in the rates *or services* of public utilities[.]" (emphasis added), NCSEA asks that the Commission investigate how Duke will approve contractors for the Contractor Credit Option and exercise oversight of the Contractor Credit Option to ensure that it is implemented by Duke in a nondiscriminatory

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<sup>6</sup> Further, there are practical problems associated with the maximum Make Ready Credit amount being confidential. Would Duke require any residential customer who receives the maximum Make Ready Credit amount to sign a nondisclosure agreement to not share the value?

<sup>7</sup> See, <https://www.duke-energy.com/find-it-duke>.

manner that does not provide a competitive advantage to contractors that participate in the option.

### **III. THE MAKE READY CREDIT TARIFF SHOULD NOT DICTATE CHARGER TECHNOLOGIES**

In its Application, Duke defines its “Make Ready Credit Programs as referring to the infrastructure necessary to make a location ready for installation of the Electric Vehicle Supply Equipment (‘EVSE’), including the cost of investments in the safe and reliable installation of wiring and other upgrades that support EV charging, but excluding the cost of the charging station itself (Make Ready Infrastructure).”<sup>8</sup> However, the tariff itself states that “To be eligible for revenue credits under this Program, each Level 2 EVSE installed at the customer’s premises must feature at least one SAE J1772 charging plug and each Level 3 (DC Fast Charging) EVSE installed at the customer’s premises must feature at least one SAE J1772 CCS1 charging plug.”<sup>9</sup>

Despite not covering the cost of EVSE, Duke’s proposed tariffs mandate a certain type of EVSE. While the SAE J1772 plug is a very common type of charger, it is not the only charger. Notably, Tesla chargers do not use a SAE J1772 plug, and thus customers purchasing a Tesla charger would be excluded from participating in the Make Ready Credit program. Similarly, the current tariff would exclude customers adopting newer, emerging standards, such as the SAE J3068 standard being used by some heavy-duty vehicles.

NCSEA is not aware of any technical reasons for requiring SAE J1772 plugs and prohibiting other formats. Moreover, since the Make Ready Credit program is does not pay for EVSE, it is counterintuitive or even discriminatory for the Make Ready Credit program

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<sup>8</sup> Application, p. 9.

<sup>9</sup> Application, Attachment A, p. 1; Attachment B, p. 1.

would require a certain type of EVSE. NCSEA respectfully requests that the Commission allow customers with all types of EVSE chargers participate in the Make Ready Credit program.

For the reasons set forth in these Comments, NCSEA respectfully requests that the Commission modify and approve Duke’s Make Ready Credit program.

Respectfully submitted, this the 8th day of July, 2021.

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**CERTIFICATE OF SERVICE**

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing filing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party’s consent.

This the 8th day of July, 2021.

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**EXHIBIT 1**

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**DUKE ENERGY CAROLINAS, LLC AND DUKE ENERGY PROGRESS, LLC**

**Request:**

Please provide a narrative description of how the Make Ready Credit will be calculated.

**Response:**

**Residential Narrative**

The Companies will use a standardized kWh per month figure for charging load of a single residential EV. The Companies set an initial standardized kWh per month of 225 kWh. This standardized kWh per month figure may change over time depending on technology and experience. The Companies will evaluate actual usage data and modify the standardized kWh figure as appropriate annually. To calculate the make ready credit, each Company will multiply the standardized kWh per month by the kWh rate for all the residential schedules times the applicable number of months (60 months for residential customers). The lowest make ready credit, based on the comparison of all available residential rate schedules, will be the maximum make ready credit (this will be modified periodically to reflect rate changes). The maximum make ready credit may be lower for customers simultaneously participating in the Line Extension Program as described in the tariffs. As a final step, the Companies will compare the maximum make ready credit to the Demonstrated Costs of installing make ready infrastructure as shown in invoices received from directly from the Contractor, under the Contractor Credit Option, or from the customer, under the Customer Credit Option as described in the proposed tariffs. The lower of those figures is the make ready revenue credit and the funds will flow to either the Contractor or to the customer via a check.

**Non-Residential Narrative**

The Companies will use a standardized kWh per month figure for non-residential segments for charging equipment up to 50 kW of nameplate capacity as shared during stakeholder discussions. These standardized kWh per month figures may change over time depending on technology and experience. The Companies will evaluate actual usage data and modify the standardized kWh figure as appropriate annually. To calculate the make ready credit, each Company will multiply the standardized kWh per month by the kWh rate for applicable non-residential schedule based on the charger's nameplate capacity.

For non-residential charging equipment exceeding 50 kW of nameplate capacity, the Company will utilize a customized version of the Company's Line Extension Plan calculation tool which will be used by the business unit to conduct the calculations. The calculation tool estimates the maximum revenue credit based on the applicable rate schedule, the load factor, the capacity, and the numbers of hours per month the chargers are in operation. Due to the complexity, the Companies will have trained staff to work directly with customers to gather the necessary information to perform a reasonable estimate.

In most cases, the applicable schedules for both Companies are the Small General Service Schedules and for Duke Energy Progress, the Medium General Service Schedule for the standardized calculations. For multi-family dwellings, as defined in the tariffs, the calculation will be based on 60 months and for all other non-residential customers, the calculation will be based on 36 months to determine the maximum make ready credit (this will be modified periodically to reflect rate changes). The maximum make ready credit may be lower for customers simultaneously participating in the Line Extension Program as described in the tariffs. As a final step, the Companies will compare the maximum make ready credit to the Demonstrated Costs of installing make ready infrastructure as shown in invoices received from directly from customer as described in the proposed tariffs. The lower of those figures is the make ready revenue credit and the funds will flow to the customer via a check.

**DUKE ENERGY CAROLINAS, LLC AND DUKE ENERGY PROGRESS, LLC**

**Request:**

Please provide the Make Ready Credit that would be provided to a customer in the following scenarios:

- A. A DEC residential customer taking service under Schedule RS, who has been using 1,000 kWh per month, spends \$500 upgrading their panel and wiring, and their electricity consumption increases to:
  - 1. 1,250 kWh per month
  - 2. 1,500 kWh per month
  - 3. 1,750 kWh per month
- B. A DEP residential customer taking service under Schedule RES, who has been using 1,000 kWh per month, spends \$500 upgrading their panel and wiring, and their electricity consumption increases to:
  - 1. 1,250 kWh per month
  - 2. 1,500 kWh per month
  - 3. 1,750 kWh per month

**Response:**

Duke Energy is utilizing a standardized kWh/make-ready credit amount for residential customers. The customer will receive the lower of the calculated maximum make ready credit or the Demonstrated Cost as described in the tariff. The standard maximum will be used with kWh updated annually and the credit amounts periodically as rates change.

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EXHIBIT 2

REDACTED

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